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RESTAURANT INTERIORS

DESIGN FOR THE 80's

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RESTAURANT INTERIORS

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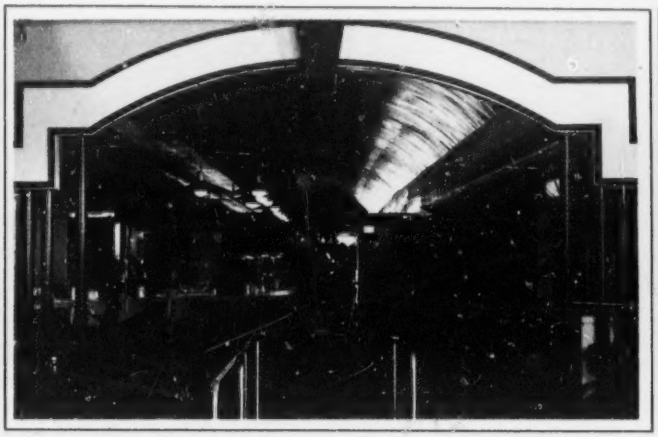


Restaurant Design: Staying Ahead Of The Game

Keys to successful design and remodeling

Whether you remodel or build from the ground up, a good restaurant design is a valuable, even necessary, tool for achieving your operational and marketing intentions.

That's the consensus among professional designers, restaurant consultants, and a number of restaurateurs who've spent time and money meticulously planning and executing their restaurants' interiors. Consider the following: after remodeling its restaurant and lobby, a Holiday Inn in Newark, N.J., saw its food and beverage sales increase by 30% and 60% respectively. Pizza Hut embarked on a remodeling program two years ago; last year, 75 units underwent the facelift, and sales there are said to be higher than the systemwide average. Denny's, the leader in the coffee shop segment, is doing likewise. And for each example mentioned, there are dozens of other success stories as well.

Just how much money is being spent on restaurant remodeling these days is unclear. Despite the economy, designers generally report seeing at least as much business coming their way as in the past. They attribute their good fortunes to intensified competition among restaurateurs, some of whom believe that remodeling can give them an edge over the competitor next door. Yet tough economic times have made designers' clients also more demanding. As one designer says: "They're watching their bucks more carefully now. They're willing to spend on design, but they want to know exactly what they'll be getting in return."

But by all accounts, the fact remains that most restaurants—particularly independents—eschew all the professional services available. Some, to be sure, are experts in their own right and can properly design their facilities without outside help. But for others, design is little more than "decoration" that can be accomplished by anyone who has a modicum of "good taste." Or in many cases, there's little money left to be spent on interior design after the basic structure is put up.

What is good design? In all cases, it means proper space utilization and the right choice of decor. It means using design elements that, in their totality, provide the restaurant with an identity and a competitive advantage in its market. Proper design can create a comfortable mood that adds to the customer's total dining experience. Its individual elements include well-spaced tables, appropriate lighting, or aisles which allow swift, unobtrusive service. It means a proper spacial relationship between the bar/waiting areas and dining room, and between dining room and kitchen.

Good design is responsive to the restaurant's market, providing an opportunity for add-on sales. Interior design can mean as little as the addition of a flexible menuboard that will increase impulse buying. Or, says Bill Babcock, of Babcock & Schmid Associates, an Ohio-based design management company, it can broaden one's customer base: "If you have a restaurant that feels good in the evening, it may just not be good for lunch," he says. This might be the case with windowless

restaurants, "so you have to change the feel of that place for it to be more conducive to lunch."

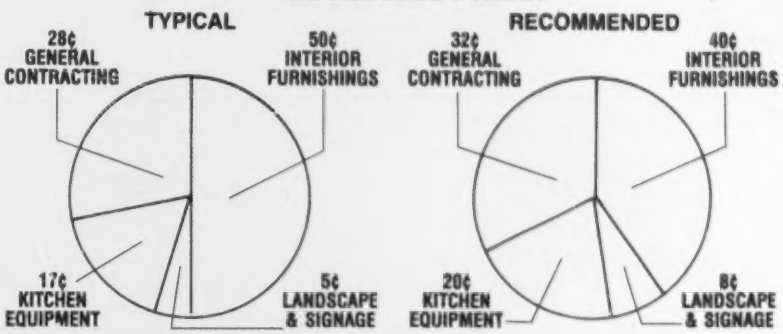
In the fast-food area where menus don't differ much from one chain to the next any more, design is one of the few elements that still allows an operator to manipulate positioning. "To achieve something that is perceived as being different, that can be done with design," says Babcock. "It's just a matter of creativity—how perceptive you are in developing something that feels right to your customers and that differentiates you from the other operator."

To remodel or not? Many experts speak of a restaurant's "lifecycle," the span of time during which the properly maintained restaurant retains its fresh look. A rule of thumb holds that the lifecycle for a typical fast-food or full-service design is five years, after which time some remodeling might be needed.

But a remodeling decision must be based on other, perhaps more important decisions, than mere wear and tear on material. One reason could be to maintain one's existing customer base by providing a more exciting decor package that appeals to today's demanding, more sophisticated consumers. On the other hand, change might be dictated if the customer base is already eroding, or if a rival concept promises to attract an even broader, or more upscale customer base.

But whether operators are planning an extensive remodeling job or merely a cursory facelift, they must first consider in advance all aspects of such projects, including the time, expense and return on investment,

THE REMODEL DOLLAR



Source: Raygal Design Associates

according to Ygal Sonenshine, president and owner of Raygal Design Associates of California.

Large and small remodeling projects must include market research, financing considerations, merchandising, advertising, and architectural, interior and kitchen designs. A facelift, the easiest and least expensive approach, can involve painting, reupholstering, changing light fixtures, making minimal menu changes, or adding new uniforms, napery and tableware. Landscape improvements, new seating arrangements, or highlighting particular areas of the dining room are other possibilities.

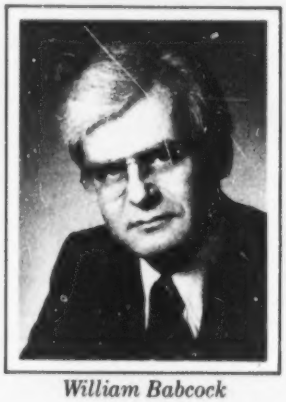
A refurbishing project could include a minor theme change, or the introduction of a new element such as a lounge or patio dining. A total remodeling job, on the other hand, can include revising the floor plan, redesigning the overall architecture, expanding the kitchen or even changing the exterior.

However ambitious the project, it needs thoughtful preparation.

At a recent National Restaurant Association seminar on restaurant design and facilities planning, Jack McCabe and Ted Thelander, both longtime designers and planning consultants, gave this advice: When contemplating a change, stop and think, "Why am I doing this?" Is it to increase profits? Is it because the competitor next door has a better looking operation and pulls in more customers? Or is it because of institutional accountability, in which case change might be contemplated simply to convey some sort of progress, however ill-defined?

Next, they advise, study your customers' characteristics. What kind of jobs do they hold? What restaurant concepts do they visit most frequently? What type of food do they prefer, what ambience do they feel comfortable in?

Says McCabe: "I've seen restaurants in design magazines that



William Babcock

Roslyn Smith

Restaurateurs are watching their money more carefully now, and although they're willing to spend money on design, they want to know exactly what they'll be getting in return.

three months before or after [the publication's appearance] were closed down. They were gorgeous, but total failures because they missed their marketing objectives."

Planning for change. Restaurateurs planning a new concept or remodel should also consider the food and beverage products they intend to serve, deciding on appropriate service systems and the kitchen equipment. A well-planned space will minimize labor requirements. According to various studies, between 25% and 50% of a food-service worker's time is spent "fetching."

Moreover, operators should take care to build some flexibility into their design—particularly in the kitchen. Says Sonenshine: "The design should have built-in flexibility to save some of the basic costs associated with a remodel, such as flexibility in the cooking line: a good design should allow you to go from one type of menu to another without having to rip out the utilities, plumbing and sewer lines."

Even basic front-of-the-house decor elements should be versatile enough to minimize future remodeling costs, Sonenshine advises. "In terms of furniture, for example, you may want to build some simplicity and some wide range of looks and uses that are timeless, both from a practical and esthetic point of view."

On the other hand, the decor elements should fit the basic concept and fulfill marketing objectives. There's the oft-repeated story about a fast-food operator who installed comfortable, upholstered seating, only to find that customers lingered far too long over their low check-average meal to allow the necessary turnover. In some cases, however, quality decor can turn off customers rather than draw them into the restaurant. "Sometimes the trap is that you do too good a job," says Sonenshine. "We just designed a restaurant, doing what I thought was an excellent job, only to have marketing studies show that customers perceived they were paying more in that restaurant, both for food and drinks, than they did in a restaurant next door. Even though our prices were the same or possibly lower. But because the other restaurant had a decor package that, in my opinion, was not very good, and because the decor environment in our restaurant was so much nicer, they thought they were spending more money in our place."

Cost factors. How much money should be spent on a new design or remodel? No one seems to have a clear answer, but examples abound of restaurants whose sales never justified the initial investment.

"I've seen restaurants that were overbuilt, that made no sense at all in relationship to their targeted market, that were overequipped or overdecorated. The investment was immense and did not show any return or actually showed a loss," says Sonenshine.

According to designer Roslyn Smith, who heads her own consulting firm, California-based Roslyn Smith & Associates, "space planning is where most restaurants fall short when it comes to investing dollars wisely". For example, most space planners advise that the kitchen not take up more than one-third of a facility's total square footage. "If we deal with a menu that requires a kitchen that takes up anywhere near 50% of the total space, we would tell the client to rethink the concept," says Sonenshine. To be sure, the typical restaurant customer does not want to feel cramped, but an intelligent seating plan will afford the most sensible space utilization. According to McCabe and Thelander, the average space requirement for one seat in a "typical" full-service restaurant is 15-18 sq. ft., and 10-12 sq. ft. in a banquet set-up; 20-22 sq. ft. for lounges; 10-12 sq. ft. for fast-food restaurants, and 14-16 sq. ft. for cafeterias. Of course, the size of the public space should reflect reasonable traffic count projections based on careful market research.

How much should one spend on the actual remodel to achieve a reasonable return on investment? Sonenshine suggests a simple formula he says has worked well for many of his clients, once it was deemed that a remodel could increase business: Determine your minimum monthly volume requirements to cover fixed overhead (excluding food and labor). The cost of construction or tenant improvement should not exceed five times the monthly minimum requirement; fixtures and equipment should be no more than two and a half month's minimum

Jane Banik

Ygal Sonenshine

Restaurant operators planning a new concept or remodel should consider the food and beverage products they intend to serve, then decide on appropriate service systems and kitchen equipment.

volume.

He also recommends the following cost breakdown for a remodel: 40¢ of the remodeling dollar on interior furnishings, 8¢ on landscaping and signage, 20¢ on kitchen equipment, and 32¢ on general contracting.

According to Jane Banik, president of the design firm Banik-Cumby Inc. of Pennsylvania, the typical remodel today comes to between $6 and $20 per square foot. For ground-up construction, including

Today's Interior Decors: An Emphasis On Basics

If Victorian, Art Deco or High Tech were some of the clearly distinguishable styles that dominated restaurant design of the past decade, today's design approaches are harder to pigeonhole.

Designers prefer to speak in such terms as "clean," "uncluttered," "comfortable" and "eclectic," rather than assign their work any particular style or category. But one thing's for sure: the heavy "themers"—the caves, dungeons and airplane hangars—are quickly becoming a thing of the past.

"We're seeing a much more sophisticated design today, much cleaner lines, more pastel colors. In general, it's a much lighter, brighter, clear and open space. The human being is becoming much more important in the design itself," says Roslyn Smith of California-based Roslyn Smith & Associates.

Another designer, Bill Babcock of Babcock & Schmid Associates of Ohio, views today's restaurant design trends as being in a "transitional period.

"For example, the theme restaurants, you could say that was a trend. Now the trends are not obvious. But I think we're now moving toward a European sort of general perspective in that the decor is being played down somewhat. There's more of an intent to focus on the food and food presentation and the people you're with, and creating an environment that's secondary to the main reason that you're in the restaurant. You're not having design dominate and intrude on your perception quite to the extent that it used to." The reason for this, Babcock believes, is "a realization that an airplane hanging from the ceiling is not the value that somebody thought it was when they first saw it." It's also right in line with the economic situation that has altered consumers' value perceptions.

Ygal Sonenshine, of Raygal Design Associates, agrees: "More people are going back to the basics, to the food products, good food presentation, the comfortable environment that need not necessarily be an award winning or an incredible place." He adds: "What's important is that it be a pleasant, interesting place." Nor, from a marketing point of view, need it signal what kind of food is being served: "Even a Mexican restaurant does not have to look like the Alamo, not even like a hacienda."

Today's designs also emphasize lighting, table tops and choice of fabrics.

Light, restaurateurs are discovering, can set the desired mood of a restaurant, while adjustable lighting can help make even a windowless room adaptable to all three main meal periods. The trend in table top design is toward strong colors, or colors that harmonize with a room's general palette. Reflecting the current emphasis on food presentation, operators now display more care in their choice of table and silverware. And natural fabrics and materials, according to designer Jane Banik of Banik-Cumby, in many cases are replacing the plastic laminates of old.

If there's no single identifiable design style that is sweeping the country today, but rather a mixture of styles, it's because "you're dealing with a limited universe, unless you become very futuristic or modernistic," maintains Sonenshine. "But you're always trying to create a better trap, one that was not created before. So you go back to proven styles and makes variations on them."

equipment, an average of $85-$90 a square foot should be budgeted.

In all cases, however, it's paramount that the operator establish tight budgetary guidelines within which the designer/architect must work. McCabe and Thelander even recommend the professional planners be required to "fiscally sign off" each completed element in the design process, such as the proposal, schematic design drawings, as well as specific construction or remodeling stages. At the same time, they should provide their client with cost projections for the next step in the design process. "*Always* suggest strongly what specific equipment you want. *Always* guard against any possible deal behind your back—always ask yourself, who's gaining from the installation of any one item."

Designers are notorious for cost overruns (see side bar). But, says Roslyn Smith, "You can absolutely stay within a budget, but it should be realistic, not too low or too high."

Beyond design. If a good design can enhance business, design for design's sake will not always guarantee a return on investment. A striking interior design, experts say, can add to the total dining experience, but will never substitute for the basics of food service: the quality of the product served and the manner in which it is served. Babcock says he might look at design from the marketing and operational objectives of the operator, but "you've got to get that sense of personal involvement and commitment and of love . . . whether it's fast food or a street vendor's cart or an elegant dinnerhouse." Echoes Sonenshine: "Initially you might be appealing because it's sparkling and new and fancy, but eventually, if the food is no good, you won't get the customers back."

Restaurateurs & Designers: A Need To Communicate

Rare is the successful restaurateur who'd deny the possible benefits of a well-planned and executed interior design. But if a recent query of restaurateurs is any indication, designers as a group don't seem to get no respect, to borrow a phrase from Rodney Dangerfield.

Designers, some of their clients lament, are hard to get along with. They produce too many surprises, often unpleasant ones such as budget overruns. They do what they want, not what their clients have in mind. And when it comes to technical know-how, the majority are viewed as dummies.

For their part, restaurant owners don't really understand the nitty-gritty of design work, often refuse such services as working drawings and traffic flow development, and then are surprised with the end results.

These are some of the sentiments and conclusions that emerged in a recent survey by Banik-Cumby Inc., a Pennsylvania-based interior planning and design firm whose goal was to find out how restaurateurs conduct business with designers. Holds Banik-Cumby president Jane Banik: Restaurateurs and designers must work together toward bridging a "communications gap" that apparently lies at the heart of many problems between the two groups.

For one thing, says Banik, restaurant owners don't always know what interior designers do, where they should go to find out about designers, or what potential benefits can accrue from a professional design job. While young restaurant owners seem more likely to seek out an interior designer or architect—and successful restaurateurs agree that design can affect profits, at least for the first six months after a remodel—many others feel interior designers are a luxury they can do without. Even the selection of an interior designer can be haphazard, and is often determined by locally available services. And if two designers submit a proposal for the same project, usually the one coming in with the lower fee is hired.

Banik, whose survey was conducted among owners and managers of 36 varied food-service operations across the country, in part blames "nonprofessional designers" for giving the profession a poor reputation. That might be a somewhat self-serving assessment, but Banik also holds that it's "absolutely essential for the interior designer to get to know" the client and to meet his specific needs. Noting that many of the restaurateurs surveyed reported a "real discrepancy between the owner's dreams and the designer's finished product," she admonishes: "Design for design's sake does not necessarily make for success, especially if you have not solved the client's problem."

What designers and architects should do, she suggests, is to be "good listeners," willing "to act in a supporting role to the owner," and then ultimately creating spaces and designs which meet functional needs and marketing and operational goals.

"Much of the dissatisfaction of the restaurant owner with the interior designer appears to be a communications problem," Banik concludes. "The restaurant owner doesn't know what he wants; the designer often doesn't take the time to find out, or is not able to establish a rapport with the client." This communication, she adds, is a "shared responsibility."

Restaurant owners' complaints about interior designers

Produce too many surprises, including unexpected cost overruns	90%
Hard to get along with	70%
Do what they want, not what the owner wants	68%
Lack knowledge about ventilation, heating, sound and operation of restaurants	64%

Source: Banik-Cumby Inc. survey

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Restaurant Interiors Supplement—Inside

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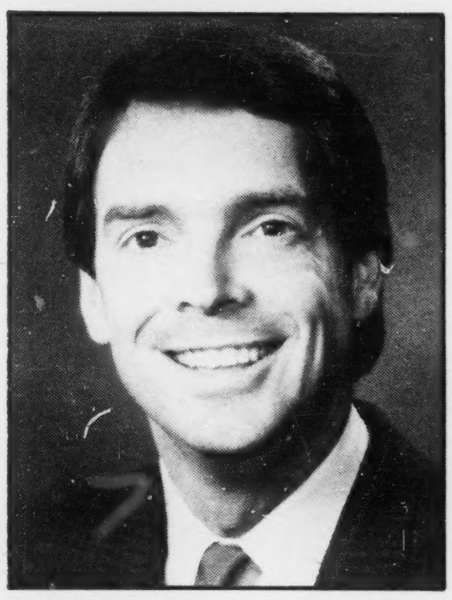
Smith jumps to Chart House presidency; Collins to head PepsiCo food service



Donald N. Smith (left) succeeds William Hyde (center) as Chart House president and ceo with Hyde moving to vice chairman. Meanwhile, Terrance Collins (right) will take over Smith's vacated post as PepsiCo senior vp and head of its food-service division.

By Charles Bernstein

LAFAYETTE, La.—Donald N. Smith has done it again.

In what has become a triannual move to a more challenging opportunity, he is now the new president and ceo of Chart House Inc. at age 43. He succeeds William Hyde, 35, who after only one year in the post becomes Chart House vice chairman. It is presumed that Hyde, in effect, will report to Smith, which could create an awkward situation.

William Trotter remains Chart House board chairman while Braxton Moody is retiring as vice chairman.

Meanwhile, Terrance Collins, 41—like Smith a former McDonald's regional whiz—succeeds Smith in Purchase, N.Y., as a PepsiCo senior vice president and head of its food-service division (Pizza Hut and Taco Bell).

Collins was president of General Foods' Burger Chef chain from 1977 to early 1981 and then chairman and president of the beleaguered Victoria Station chain in 1981-82. He joined PepsiCo last fall.

Smith has jumped every three years ever since a meteoric 10-year McDonald's career in which he rose to chief operations officer. He became Pillsbury's Burger King president and ceo in early 1977 and combined the best of McD with new specialty sandwiches to pump life into BK for awhile.

He became head of PepsiCo's new food-service division in the spring of 1980 after being extensively wooed by PepsiCo chairman and ceo Donald Kendall. Pizza Hut founder Frank Carney promptly resigned.

Pizza Hut has soared in profitability and sales over the past three years, a feat for which some analysts give Smith full or partial credit. Others say Carney had already put the pieces in place for a turnaround and that Pizza Hut president and ceo Arthur Gunther has carried through a good deal of the turnaround (a fact Smith himself

(Continued on page 72)

Major franchise agreement pending

Godfather's pact offers Sambo's a lifeline

By Richard Martin

OMAHA—Godfather's Pizza may have made Sambo's an offer the beleaguered company just could not refuse.

Sambo's Restaurants Inc. would become a major franchisee of the 794-unit pizza chain under a multistage agreement struck between the two companies, calling for conversion of 112 Sambo's units to the Godfather's concept by the middle of next year.

Godfather's chairman and president William M. Theisen disclosed the agreement, which initially would involve rapid conversion of at least 60 Season's restaurants in California, Arizona and Florida. Theisen's company would advance Sambo's up to $15 million on a secured revolving basis through November 1985 to finance pizza unit development. Repayment would be required by 1989.

Calling the deal "highly beneficial" to both companies, Theisen said Season's buildings and locations are ideal for the Godfather's format.

In the wake of Sambo's recent move to divest itself of at least 250 Season's units, the pact with Godfather's signals a further retreat from the unfruitful chainwide facelift. And Godfather's offer for new conversion funding signifies the second time in a year that chairman and ceo Robert Luckey's team at Sambo's would be spending close to $15 million to transform its restaurants, albeit fewer units than last time around.

If the proposal is cleared through Sambo's bankruptcy court proceedings, Godfather's would be obtaining more than a sudden burst of bicoastal growth. Sambo's 112-unit metamorphosis would be nearly filling the numerical gap in Godfather's franchising community which will develop when the parent company finalizes acquisition of Pizza Ventures, currently its largest franchisee with 118 units.

The agreement specifies that upon successful completion of the 60-unit first-stage conversion, Sambo's would retain exclusive franchise development rights for Godfather's Pizza in Los Angeles and certain other California markets, and the Tampa/St. Petersburg, Fla., area. Beyond the mid-1984 target of 112 Sambo's conversions, the agreement envisions the development by Sambo's of at least 25 additional Godfather's units annually, beginning in 1985.

(Continued on page 46)

Operators pull the plug on energy waste

By Joe Edwards

Food-service energy conservation programs put together in the years following the energy crisis of the 1970's have drastically reduced consumption and harnessed runaway utility bills, according to independent and chain operators.

Heightened energy awareness has also led to dramatic changes in the size and design of food-service establishments, the types of equipment operators are buying, the site selection process, and employee training programs.

Reduced consumption does not always mean lower utility bills; however, the prices of oil, gas and electricity have been rising too rapidly for that. But in the last two years, there has not been a significant increase in the per cent of total sales paid out for utilities industrywide.

That's the good news. On the negative side, the phased decontrol of natural gas threatens to send utility bills skyrocketing again. The U.S. Department of Agriculture warns operators to expect 15% to 25% increases in natural gas prices this year, following 20% increases in 1982.

Oil supplies and prices are much more stable than they were in the late 1970's, but future availability of this key fuel remains questionable. Another worry for operators: the Federal Government forecasts that by 1990, 7.5% of restaurant sales will go for utilities.

The warning about natural gas price hikes would be even more ominous were it not for steps already taken by many operators to reduce energy consumption. Restaurateurs have been taking advantage of improved technology and a smorgasbord of energy-efficient equipment to reduce bottom line pressures brought about by escalating utility bills.

Among independent and chain operators reporting success with a variety of energy-saving programs and equipment: The Nut Tree in Vacaville, Calif., Roy Rogers; Marriott-owned Big Boy coffee shops; Druther's; Solomon Grundy's in Berkeley, Calif.; Lyons Restaurants; Straw Hat Pizza; McDonald's, and Stuart Anderson's Black Angus steakhouses. There are many others.

(Continued on page 52)

Industry hoping House will soften immigration bill

WASHINGTON—Food service was dealt a blow when the Senate overwhelmingly approved controversial immigration reform legislation, but Congressional leaders told *Nation's Restaurant News* that "some relief" for employers may still be worked out in coming months.

Among other things the Senate bill imposes civil and criminal penalties up to $1,000 and six months in prison for employers who knowingly hire illegal aliens.

The bill also requires employers to complete and store a Federal form stating they have verified the eligibility of each job applicant.

The National Restaurant Association, the chamber of commerce and Hispanic groups have been fighting this legislation since it was introduced last year by Senate Immigration Subcommittee Chairman Alan Simpson (R-Wyo.) and House Immigration Subcommittee Chairman Romano Mazzoli (D-Ky.).

Last year the Simpson Mazzoli bill almost passed the Congress but died on the House side.

While the Senate proposal is nearly identical to last year's legislation, the pending House version is slightly different and has one important amendment for restaurants and other employers.

(Continued on page 72)

LATE NEWSBREAKS

A bankruptcy court has approved the proposed conversion of 112 Sambo's units to Godfather's Pizza restaurants. The first conversions are slated to begin in Los Angeles within a few weeks. (Earlier story, this page.)

NRA's board of directors voted in Chicago to seek amendments to, rather than repeal, controversial new tip reporting laws. The board wants to replace allocation rules on total reported tips of less than 8% of sales with other, "more reasonable" reporting requirements; not count employees receiving tips of under 5% of sales, and to obtain complete clarification of the stipulations on "firms" or "individual restaurants" with over 10 "tipped" employees coming under the tip reporting regulations. (Full details, next issue.)

Walter Conti of Doylestown, Pa., former NRA chairman and currently board president of Penn State University, was named IFMA's Golden Plate Food Service Operator of the Year. (Full details, next issue.)

COMMODITIES

Calif. fruit prices rise on poor crop estimates

NRN Special Report

Prices of most California canned fruits have been hiked by canners as a result of reduced crop estimates. Late season rain knocked blossoms off trees and otherwise damaged crops of cling and free peaches, apricots, pears, fruit cocktail, fruit salad and fruit mix. Most rises were in the order of 75¢ per case—with more expected in the next three months if demand does not slacken.

A combination of small carryover, heavier demand than usual and poor 1983 crop forecasts prompted the rises. In the case of pears, 6/10s have not increased, for the carryover of this size is adequate; retail sizes are in short supply. However, as the new crop comes in, expect a jump in 6/10 prices. At present, Northwest pears are a better bargain for operators than California's product. The Northwest pack is selling at $1-$2 lower than California pears.

For operators whose distributors did not lay in a supply of apricots, the price rise is moot, anyway. The supply of 6/10s has—for all intents and purposes—run out, and there is no product being quoted for food service.

California's crop of sweet cherries is down 8% over last year, based upon U.S.D.A. forecasts. However, since most of the California crop goes into the fresh market, sweet cherry prices should not be affected too greatly, even though the 1983 crop will be nearly 70% less than the bumper 1981 yield.

Most other canned fruits around the country were holding at list or slightly below, including both light and dark sweet cherries, RTP cherries, and blueberries, even though Michigan's pack was tight as the result of a poor 1982 crop. Both applesauce and canned sliced apples are trading below list at the packers' docks, and Northeast apple prospects are good for 1983.

There are mixed outlooks about the 1983 California strawberry pack. Freezers are more than 50% below budget because of the late harvest due to unseasonal storms. Some think the frozen pack will be down from last year, while others are forecasting a similar output. Northwest prospects look good at this time. Mexican packers had expected to freeze a bumper crop, but reports on actual production are spotty.

Michigan and New York, both major red cherry freezing areas, report that unseasonal late spring cold snaps have not significantly affected crops.

Orange juice concentrate is expected to be in good supply through the 1983-84 year. The Florida trees have benefited from the heavy rains and crop predictions for the later harvested Valencia variety are good. The U.S.D.A. has lowered the actual number of cases expected, but at the same time increased its forecast of the juice yield per case. As a result, expect that this year's crop will be one of the best over the past several years. Even without the ever present Brazilian import capacity, the

(Continued on page 72)

PRICE MOVEMENT AT A GLANCE

	May 13, 1982	April 13, 1983	May 13, 1983
Beans, lima, large dried, Calif. (cwt.)	$34.00-34.50	$31.00	$32.50-33.00
Beef, Choice, 700-900 lb. Midwest (lb.)	$ 1.17	$ 1.09	$ 1.05
Broilers, icepack, Grade A, NYC (lb.)	$ 0.4840	$ 0.4343	$ 0.4910
Eggs, Grade A large, Chicago (doz.)	$ 0.5975	$ 0.645-0.65	$ 0.705-0.71
Fruit Cocktail, Choice, HS, Calif. (6/10)	$14.00	$15.00	$15.75
Lettuce, iceberg, Calif. (24s)	$ 3.50-4.00	$ 5.50-6.00	$ 9.00-10.00
Peaches, cling, Choice halves, HS, Calif, (6/10)	$12.50	$13.50	$14.25
Pork Loins, Choice, 14-17 lb. Midwest (lb.)	$ 1.16	$ 1.00	$ 0.97
Potatoes, froz. french fries, Idaho Extra Long Fancy (lb.)	$ 0.32-0.33	$ 0.30	$ 0.31
Spinach, leaf, frozen, Grade A, Calif. (lb.)	$ 0.30-0.32	$ 0.32	$ 0.33-0.35

Source: *NRN* Research

Prices listed are packers' f.o.b. plant, unless specified, and do not represent the prices paid by the operator. This list is only a reference to indicate price trends against benchmarks of one year ago and one month ago. Products listed are those showing marked movement in price.

Peak waiting line challenges: Operators walking a tightrope

By Joe Edwards

Nearly every city has at least one—those very popular restaurants where, by circumstance or design, part of the customer's dining-out experience is waiting on a long line for a table.

Crowds of people queuing up outside a restaurant can be a valuable marketing tool, but operators caution that there is a thin line between making long waits part of a restaurant's mystique and turning a customer's visit into a distasteful experience.

"People want to be in a crowded restaurant," says John Dankos, former president of the National Restaurant Association and owner of several Virginia restaurants and hotels. "But they have to be taken care of. If you have quality food and the right prices, then people don't mind waiting."

There is, however, a right way and a wrong way to keep customers waiting, according to Dankos and other operators.

Done correctly, stacking customers in the lounge or outside the front door adds to a restaurant's aura. Those long lines advertise to passersby that something exciting is happening inside. A long wait is also reassuring to those on line; it tells them they've made the right choice.

'People want to be in a crowded restaurant. But they have to be taken care of. If you have quality food and the right prices, then people don't mind waiting.'

Done incorrectly, interminable waits without explanation or apology from the owners, the hosts or the maitre d'hotel can backfire and quickly tarnish a restaurant's reputation.

At Stanley Stegmeyer's Hodgepodge Restaurant in Richmond, Va., the host "is constantly talking to waiting customers," owner Dankos says. "You have to be honest with them and keep them posted. Don't tell them it's an hour wait if it's an hour and a half."

Customers deserve the right to be updated, Dankos adds: "Tell them the truth. Start a conversation. In so many places, you don't know where

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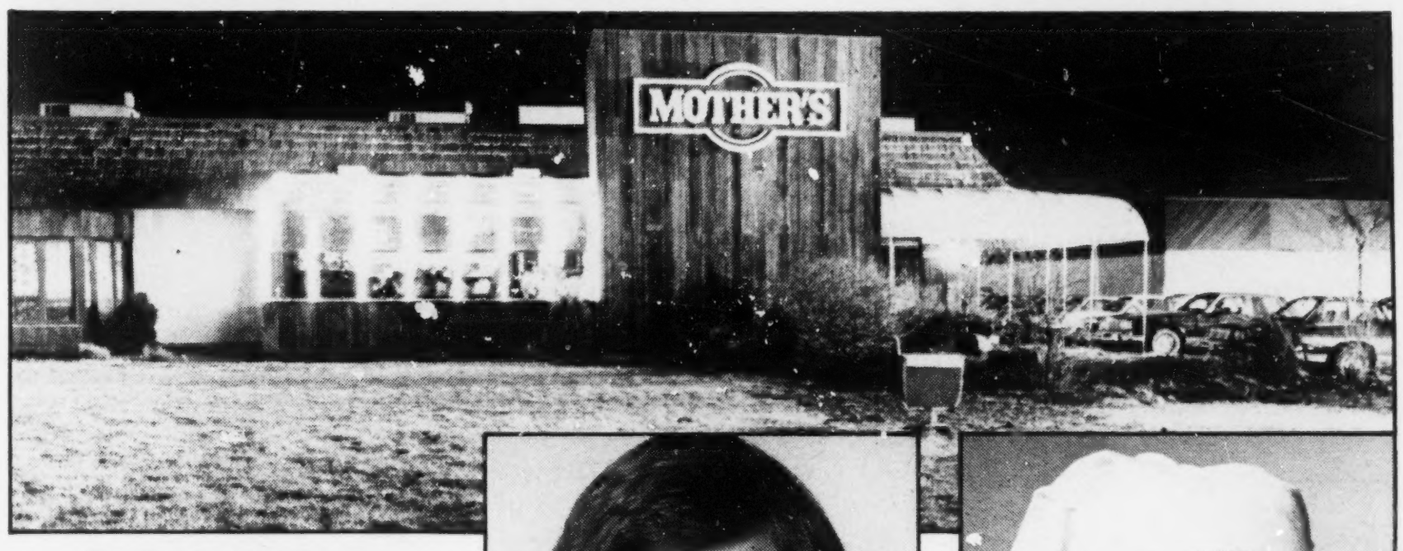
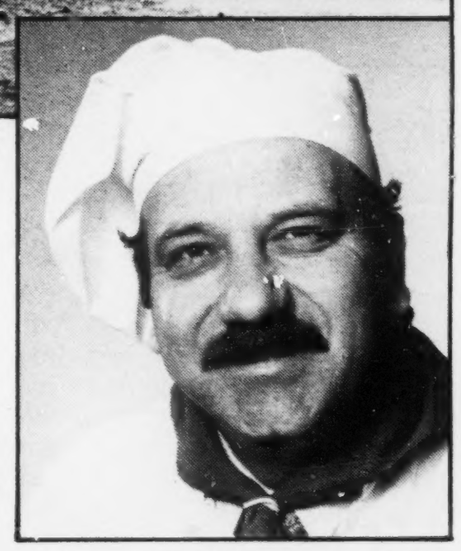
Unveils prototypes in Ohio

Mother's invades U.S. markets





Gary J. Lokar (left), president, and Rismo Gualtieri, executive chef and partner; (top) exterior of Mother's prototype in Ohio.

By Rurick Telberg

COLUMBUS, Ohio—A United States franchisee of a Canadian pizza parlor chain is experimenting with an upscale liquor and pasta format.

Gary J. Lokar, president of Mother's Restaurants of Ohio Inc., has developed two prototype restaurants almost unrecognizable from the 60-unit Mother's Restaurants Inc. chain based near Toronto in Burlington, Ontario.

His testing began with two units here. The old Mother's had a warm, cozy boarding-house atmosphere and limited menu. The new Mother's has a bar, lounge, dance floor, an art-and-antiques motif and a wide ranging menu of Italian dishes featuring pasta as well as pizza.

With one of the two revamped units open, Lokar said sales volumes were running $30,000 to $40,000 per week, a far cry from the typical half-million a year that the standard fast-food pizza place brings in.

About 35% of the sales are coming from beer, wine and liquor with food-only per person checks ringing up at $5 each, he said.

Tom McMahon, a spokesman for the parent company, said Lokar was given the go-ahead to test the new sit-down format after Mother's realized its pizza-parlor ambience wasn't cutting it in the United States.

"We're trying to redefine the market," McMahon said, "I wouldn't say the typical Mother's is stale, but we're trying to bring it up-to-date."

Lokar has high hopes for the format. "You get a successful concept here," he said, and it's going to be successful throughout the Midwest. People in Columbus have been exposed to a lot, and they have very high expectations."

Lokar's Mother's format fits in with other casual themers that attract a family crowd for dinner and a singles crowd later at night. In that, he is competing with such other chains in the area as Spats, Houlihan's, T.G.I. Friday's and Max and Erma's for the singles, plus Chi-Chi's and El Torito for family business.

Lokar sees potential for pasta that Mexican dinnerhouses have mined for tacos. "We see a tremendous niche there," he said.

Fettucine, lasagne, linguine and spaghetti, all priced in the $4 to $5 range, account for 30% of food sales, Lokar said. Pizza takes another big slice of volume, racking up all Mother's take-out sales, which is 15% of food revenue.

At the bar, wine is 12% to 15% of sales, which surprises Lokar. "That's high for this

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New Rustler owners itching for a comeback

By Joe Edwards

ROCKVILLE, Md.—Rustler budget steakhouses, having endured a four-year tailspin and a year-long threat of extinction, are alive, reasonably well and itching for a comeback, according to the chain's new owners.

Tenly Enterprises Inc., a private company formed last November by seven investors, purchased Rustler in May from Marriott Corp. for an undisclosed sum. Marriott had operated Rustler for a year after picking it up as part of the Gino's acquisition.

Tenly bought 95 restaurants and quickly sold off 19 sites in the Midwest and Far West. It now owns 74 Rustlers and two experimental dinnerhouses on the East Coast. (Marriott sold another 17 Rustler units to Sizzler which is converting the sites to its own concept.)

"Our objective," says Jim Sullivan, a former Marriott executive who is Rustler's new chairman, chief executive and president, "is to operate Rustler units in our core market and establish a strong regional chain."

Rustler budget steakhouses are situated in New York, New Jersey, Pennsylvania, Maryland, northern Virginia and Washington, D.C. Tenly's two other restaurants that were being tested by Gino's and then Marriott are Curly's Garage, "an eating, drinking and meeting place" in Charlottesville, Va., and Chubb's Pier, a cafeteria-style seafood house in Bristol, Conn.

Sullivan, the only Tenly investor who will take an active role in Rustler management, says the first priority is to reestablish Rustler's price-value perception among consumers.

Rustler will conduct about 30 promotions—mostly newspaper couponing drives—this year and advertise on TV in Philadelphia, where there is a heavy concentration of units.

Sullivan is also assembling a corporate headquarters staff here, drawing mostly from former executives of Marriott, Gino's and Rustler.

"We're gearing up our support services for many more stores than we have now," Sullivan says, adding quickly, however, that expansion is two or three years away.

"Our primary goal is to run Rustler and not be distracted by other things," he says. With that in mind, Tenly has no plans at this time to franchise, go public, fiddle around with conversions to new concepts, or look beyond the Middle Atlantic

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FINANCIAL NEWS

Wendy's 1st-qtr. net jumps 25%

DUBLIN, Ohio—Wendy's International Inc. reported a 25% net profit increase to $10 million on an 11.6% rise in revenues to $153.5 million for the first quarter ended March 31 compared with results of the 1982 first quarter.

Systemwide sales rose 11.3% to $406 million in the quarter. Average unit sales were up 2.5% to $166,000 from $162,000 in the first three months of 1982.

At the end of the quarter there were 2,468 restaurants in the Wendy's system, compared with 2,271 at the end of 1982's first quarter.

Robert L. Barney, chairman and chief executive, noted the "solid performance" in what is traditionally Wendy's toughest quarter was the result of operating efficiencies.

Wendy's, he added, reduced the amount of couponing and added a new menu item, a bacon cheeseburger, in the quarter. He noted the rollout of bacon gives Wendy's "the flexibility to create many new products."

At the end of March, Wendy's was operating 26 Sisters Chicken & Biscuits restaurants through its subsidiary. Average sales at Sisters units in Columbus, Ohio, near Wendy's corporate headquarters, rose 20% to $850,000 in the quarter compared with average unit sales a year ago.

There are eight new Sisters units under construction and 35 franchise contracts have been finalized representing a commitment to build close to 400 restaurants over the next few years. James W. Near, Sisters president, said the company is aiming at having between 150 and 250 Sisters units operating by the end of 1985.

Sandwich Chef posts 19% 3rd-quarter gain

BIRMINGHAM, Ala.—Sandwich Chef Inc., operator of 180 deli sandwich shops, reported net profits rose 19% to $215,549 for the third quarter ended April 2, compared to last year's quarter.

Sales in the third quarter rose 24% to $5.3 million, from the 1982 level.

For the nine months, Sandwich Chef posted net profits of $598,283, a 13% gain, on sales of $14.5 million, a 19% increase over the year-ago period.

Thirteen new stores were opened and one closed during the quarter.

Despite the advances, the company said, slow economic recovery in Houston and Denver is hindering sales growth.

Food-service chain stock analysis table

		STOCK PRICE							TREND TO MARKET				EARNINGS/SHARE					P/E	DIVIDENDS			FINANCIAL POSITION					
		Two Weeks Ended May 20							Price Trend (% per day)		Volume Trend (% per day)			Latest 12 Months vs Preceding 12 Months Change		5-Year Annual Growth Rate	Profit Margin		Indicated Dvd. Rate		Last X-Dvd. Date	Last Fiscal Year		Current Ratio	Last Fiscal Year (Per. Share)		Last Balance Sheet Date
Name	Symbol	High	Low	Close	Change Amt.	Change Pct.	52-Week High	52-Week Low	Last 30 Days	Last 5 Days	Last 30 Days	Last 5 Days	Last Fiscal Year	Amt.	Pct.			Latest P/E Ratio	Amt.	Yield		Revenue	Earnings		Long Term Debt	Common Stock Equity	
—	—	$	$	$	$	%	$	$	%	%	%	%	$	$	%	%	%	—	$	%	—	$ Mil.	$ Mil.	—	$	$	—
Acapulco Y Los	ALAR	6.88	6.13	6.13	-1.00	-14.04	7.88	3.75	.49	-.63	-.92	6.05	.05	-.09 Q	-42.8	-29.0	.3	51.0	.00	.0	01-06-81	37.1	.1	2.4	5.69	2.90	1081
Am Motor Inns	INN	36.63	33.75	35.50	-.75	-2.07	36.63	15.88	.54	1.27	-4.75	-18.46	2.10	.45 S	24.8	28.0	7.0	15.7	.25	.7	01-26-83	161.4	11.3	1.6	15.08	13.00	0782
ARA Services	ARA	53.50	50.00	52.00	1.50	2.97	53.50	25.25	.30	.56	-.08	-38.77	3.43	-.30 S	-7.8	-7.0	1.4	14.7	2.05	3.9	05-26-83	2805.6	38.9	1.1	22.39	44.25	0982
Assoc Hosts	AHST	24.75	21.50	24.75	.50	2.06	25.00	5.00	-.10	1.02	-1.40	-25.91	.58	-.12 S	-16.6	-15.0	2.2	41.3	.18	.7	05-31-83	78.6	1.7	1.6	6.60	7.58	0982
Beefsteak Char	BCS	8.50	7.88	8.25	.00	.00	9.75	4.50	.20	.81	-.11	33.69	.88	.17 Q	26.1	38.0	3.7	10.1	.00	.0	00-00-00	97.1	3.6	1.3	5.92	4.23	1082
Bob Evans Farms	BOBE	27.00	25.75	25.75	-1.75	-6.36	29.06	14.66	.00	-.77	-6.24	-3.56	1.09	-.03 N	-2.7	21.0	7.9	24.5	.30	1.2	05-09-83	173.4	13.7	1.7	.00	5.17	0482
Bonanza Intl Inc	BNZA	4.88	4.38	4.38	.00	.00	4.88	1.50	.36	-1.91	2.90	10.54	.11	.17 Q	NC	-81.0	3.1	25.7	.00	.0	00-00-00	16.1	.5	1.6	9.70	1.67	1282
Brock Hotel Cp	BHC	11.25	9.75	10.13	-.88	-7.95	16.13	7.50	.51	.03	2.50	-1.07	.39	-.31 Q	-52.5	-4.0	2.0	36.2	.10	1.0	03-15-83	259.8	5.1	1.2	11.01	3.90	1281
Calny Food	CLNY	15.25	14.25	15.00	.50	3.45	17.25	5.16	-.34	1.71	-1.04	15.85	.80	.06 F	8.1	7.0	4.6	18.8	.20	1.3	04-28-83	30.2	1.4	.6	1.01	1.51	0282
Captain Crabs	CRAB	4.13	4.00	4.13	.25	6.45	4.13	1.00	.34	.24	4.97	-3.62	.00	.00 Q	NC	NC	.0	NE	.00	.0	00-00-00	.9	.0	7.0	.04	.22	0882
Carrols Develop	CRL	14.00	11.63	13.88	2.13	18.09	14.00	3.34	.71	2.91	.32	-8.93	.44	.40 N	93.0	22.0	1.9	16.7	.07	.5	02-02-83	68.6	1.3	.6	6.55	4.00	0582
Chart House	CHHO	34.00	29.50	32.00	2.50	8.47	34.00	17.25	.48	-.97	4.18	-13.08	2.08	.05 Q	2.4	13.0	4.9	15.3	.60	1.9	03-17-83	382.0	18.7	.9	14.53	10.14	1281
Chi-Chis	CHIC	32.25	27.63	31.25	2.50	8.70	32.25	8.75	.92	1.08	3.89	-34.73	.55	.34 N	82.9	26.0	11.7	41.7	.00	.0	12-20-82	38.6	4.5	3.0	2.18	2.26	0482
Ch Full O Nut	CHF	17.88	17.00	17.38	-.50	-2.80	19.88	12.00	-.19	-.11	-2.16	-21.52	.34	-.07 S	-14.5	-11.0	1.4	42.4	.40	2.3	12-09-82	115.8	1.6	3.1	.43	5.97	0782
Churchs Fr Ch	CHU	29.50	26.00	26.50	-2.19	-7.63	29.50	16.69	-.12	-1.44	-1.25	-81.77	2.19	-.11 Q	-4.7	9.0	10.1	12.0	1.00	3.8	01-24-83	413.1	41.6	1.8	.62	11.74	1282
Cindys Inc	CNDYC	4.00	3.13	3.38	.38	12.50	4.00	2.63	.34	-1.44	8.55	-38.11	.13	.19 F	NE	NE	1.7	26.0	.00	.0	00-00-00	17.2	.3	.0	7.17	.29	1281
Collins Foods	CF	29.75	26.13	29.25	2.88	10.90	29.75	10.88	.41	2.56	-2.84	14.52	1.69	.53 N	33.3	16.0	3.2	13.8	.24	.8	03-25-83	298.0	9.6	1.3	7.44	10.69	0482
Consul Corp	CNSL	17.25	15.38	17.13	2.00	13.22	17.25	5.88	.83	.66	1.33	-25.26	.00	.16 N	400.0	NE	.0	85.6	.00	.0	00-00-00	17.6	.0	.7	2.21	2.88	0582
Cracker Barrel	CBRL	31.50	29.00	31.50	2.50	8.62	31.50	9.25	.44	1.80	1.01	17.57	1.03	.18 S	17.8	19.0	3.7	26.5	.00	.0	00-00-00	35.4	1.3	1.9	5.35	6.69	0782
Dennys Inc	DEN	35.63	33.25	33.38	-1.63	-4.64	36.88	22.38	-.32	-1.29	-4.90	14.98	2.47	.26 N	11.1	9.0	3.9	12.9	.64	1.9	03-04-83	955.7	36.8	1.4	15.81	15.02	0682
Dunkin Donuts	DUNK	24.25	21.88	24.25	2.75	12.79	24.25	9.91	.18	1.30	-2.66	-11.47	1.40	.20 Q	15.8	18.0	9.4	16.6	.24	1.0	02-07-83	71.3	6.7	1.2	12.87	15.97	1082
Frischs	FRS	18.50	17.75	18.00	-.38	-2.04	18.50	7.94	.32	.18	-1.94	9.64	1.80	-.27 N	-15.0	12.0	3.8	11.8	.40	2.2	03-29-83	101.0	3.8	1.5	6.23	13.58	0582
Godfathers Pizza	GFPZ	24.38	22.75	23.50	-.88	-3.59	25.50	9.63	.17	.52	2.39	-42.91	.65	.07 F	12.0	121.0	15.8	36.2	.00	.0	00-00-00	37.9	6.0	2.1	.55	1.99	1282
Hambrg Hamlet	HAMB	11.25	10.25	10.50	-.75	-6.67	11.25	5.00	.58	-1.99	.08	1.19	1.35	.54 N	93.1	-8.0	3.2	9.4	.00	.0	00-00-00	31.6	1.0	.7	20.45	13.07	0382
Hardwicke	HAWK	1.63	1.50	1.63	.13	8.33	2.13	.88	.88	.00	3.17	27.78	12.59	-10.09 F	NE	-69.0	-89.4	NE	.00	.0	00-00-00	27.4	-24.5	.3	12.03	-4.31	0982
Hilton Hotels	HLT	57.25	54.38	55.63	-1.38	-2.41	57.38	27.63	.79	.45	-2.50	25.07	3.04	-1.10 Q	-27.9	.0	14.4	19.6	1.80	3.2	05-27-83	562.9	81.3	2.0	6.73	21.31	1282
Holiday Inns	HIA	50.25	46.50	48.38	-1.50	-3.01	51.25	24.50	.38	.90	-.61	13.01	2.50	-.18 Q	-6.4	8.0	6.8	18.6	.84	1.7	03-14-83	1425.3	97.2	.9	11.74	25.35	1282
Holiday Inns A	HIA A	71.00	70.50	71.00	5.00	7.58	71.00	38.38	.33	.38	-2.00	50.00	NA	NA	NA	NA	NA	NA	.00	.0	00-00-00	NA	NA	NA	NA	NA	NA
Horn & Hardart	HOR	37.75	31.75	37.50	4.00	11.94	37.75	13.06	.99	4.04	-8.32	22.06	1.14	.37 Q	40.2	39.0	2.8	29.1	.00	.0	09-27-82	235.4	6.6	1.7	11.45	6.30	1281
Hungry Tiger	HTIG	10.25	9.50	9.50	-.50	-5.00	12.25	4.84	-.35	-.59	-.70	-6.27	.78	-.07 S	-9.4	7.0	3.8	14.2	.00	.0	11-15-82	55.9	2.1	.6	4.91	5.57	0882
Imperial Grp	IMT	1.94	1.63	1.81	-.13	-6.45	2.06	1.50	-.22	1.10	2.58	61.34	.24	.00 Q	.0	-7.0	2.0	7.6	.14	7.7	09-28-82	3462.9	171.0	1.1	.65	2.08	1081
Intl Dairy Queen	INDQ	33.00	30.00	33.00	3.50	11.86	33.00	11.25	.20	2.39	4.63	-10.90	2.17	.60 Q	35.5	30.0	6.3	14.4	.00	.0	00-00-00	98.6	6.2	1.1	11.23	6.32	1182
Int King Tab	IKNG	24.25	22.88	23.00	-.63	-2.65	24.25	3.00	.81	.41	-1.88	-11.00	.33	.98 N	515.7	20.0	1.4	19.7	.00	.0	10-09-79	36.6	.5	.3	4.09	3.77	0682
JBs Rest	JBBB	18.00	15.88	17.38	1.50	9.45	18.00	5.75	.49	1.32	.52	-17.42	.93	.27 S	37.5	13.0	3.5	17.6	.16	.9	05-09-83	45.1	1.6	.9	6.38	5.84	0982
Jerrico Inc	JERR	23.13	19.50	22.75	3.13	15.92	23.50	12.69	.35	1.23	2.26	-18.27	1.40	-.11 N	-7.5	21.0	5.1	17.0	.12	.5	05-09-83	425.5	21.8	.9	2.91	8.99	0682
Kapok Tr Inns	KTI	7.13	6.50	7.13	.50	7.55	7.13	3.00	.12	.56	-4.12	-73.53	-.37	-.21 Q	NE	-46.0	-6.1	NE	.00	.0	00-00-00	11.4	-.7	2.5	1.36	5.45	0982
Kelly-Johnston	KEJO	17.50	16.25	17.13	.38	2.24	24.50	10.34	.99	1.23	2.28	-5.96	.59	.26 N	72.2	98.0	8.4	27.6	.00	.0	10-13-82	17.9	1.5	.9	.89	4.40	0382
Karcher Carl	CARL	29.75	28.63	29.50	-.25	-.84	29.75	9.50	.79	.61	2.84	4.63	1.21	1.43 N	NC	17.0	3.4	20.6	.00	.0	02-16-83	200.6	6.9	1.9	5.15	6.67	0182
Lubys Cafe	LUB	30.50	29.38	30.13	.38	1.26	32.59	20.50	-.13	.19	-2.53	-5.45	1.35	.18 S	14.4	20.0	9.1	21.1	.48	1.6	06-06-83	127.3	11.6	1.9	.64	6.79	0882
Marcus Corp	MRCS	12.75	11.75	12.38	.63	5.32	12.75	5.88	.40	2.00	4.84	49.02	1.13	.06 N	5.1	4.0	5.7	10.1	.00	.0	08-24-81	103.8	5.9	.8	2.98	9.76	0582
Marriott Corp	MHS	73.00	70.63	71.75	-.38	-.52	73.00	32.00	.26	.24	-1.06	18.03	3.44	.38 Q	11.8	24.0	3.7	20.0	.36	.5	03-21-83	2541.4	94.3	.9	33.49	19.43	1282
McDonalds Cp	MCD	68.25	63.00	63.75	-3.00	-4.49	74.50	43.59	-.61	-.49	2.17	9.72	5.00	.65 Q	14.5	17.0	10.9	12.4	1.00	1.6	05-24-83	2769.5	300.6	.5	15.35	22.73	1281
Morrison Inc	MORR	18.88	16.88	17.88	.63	3.62	20.13	9.75	-.39	-.91	3.68	-25.76	1.16	.31 N	29.5	9.0	4.1	13.1	.40	2.2	04-11-83	364.3	15.1	1.4	2.95	7.90	0582
Mr Steak	MSST	9.00	7.50	8.88	1.13	14.52	9.00	1.75	.26	1.05	-1.34	-15.25	-.98	-.42 S	NE	-38.0	-2.7	NE	.00	.0	05-29-80	59.8	-1.6	1.1	4.26	3.76	0982
Nathans	NATH	1.86	1.88	1.88	.00	.00	2.50	.72	.41	.18	-2.72	-28.57	.03	.80 N	NE	NE	.6	18.8	.00	.0	09-09-82	16.7	.1	.5	.10	1.73	0382
Naugles	NAUG	30.75	28.50	29.75	2.00	7.21	30.75	8.53	1.00	.01	2.39	-41.49	.78	.88 N	NC	48.0	3.9	33.8	.00	.0	11-01-82	55.8	2.2	.4	8.04	2.73	0682
Oakbrook Cons	OKCO	16.00	14.00	15.00	-1.50	-9.09	18.50	9.00	-1.07	2.24	2.54	-5.56	.69	-1.12 S	-82.9	-29.0	.4	65.2	.32	2.1	03-14-83	143.6	.6	.6	3.82	13.85	0982
Orange-co	OJ	7.88	6.63	6.88	.00	.00	7.88	4.38	1.57	-.28	6.50	-30.57	-.25	-1.94 S	-192.0	-28.0	-.8	NE	.00	.0	02-22-82	74.0	-.6	1.3	13.28	4.63	0882
Peoples Rest	PEPL	11.00	10.00	11.00	.50	4.76	11.00	4.75	.61	1.62	-3.86	-30.92	.19	.20 N	NC	81.0	13.8	55.0	.00	.0	00-00-00	5.8	-.8	.5	.75	2.39	0682
Piccadilly Caf	PICC	17.25	16.75	16.75	.00	.00	18.13	13.50	-.13	.04	-.49	12.36	1.39	-.36 N	-25.0	9.0	5.9	15.5	.60	3.6	06-09-83	142.6	8.4	1.9	.00	7.29	0682
Pizza Inn	PZA	13.38	11.75	13.25	.38	2.91	13.38	4.50	.47	3.60	-1.30	39.68	.61	.24 Q	43.6	5.0	1.3	16.8	.02	.2	04-11-83	135.1	1.7	.9	13.55	7.29	1282
Pizza Time Thea	CHKY	24.75	20.00	23.50	3.25	16.05	31.50	14.25	1.45	-.04	2.31	-28.47	1.27	.33 Q	40.2	29.0	7.6	20.4	.00	.0	00-00-00	99.3	7.5	1.2	5.53	9.23	1282
Ponderosa Sys	PON	24.50	20.63	24.50	3.00	13.95	24.50	9.34	.38	1.60	.28	.32	1.50	.18 F	13.6	-6.0	2.8	16.3	.33	1.3	06-08-83	376.7	10.4	.8	8.03	12.43	0283
Ramada Inns	RAM	10.00	8.50	9.50	.75	8.57	10.00	4.25	.85	-.45	3.38	-17.84	-.73	-.69 Q	NE	-44.0	-3.6	NE	.00	.0	10-19-81	548.3	-19.8	.6	18.98	6.03	1281
Restaur Assc	RA	11.38	9.38	9.50	-.75	-7.32	11.38	3.25	.77	-2.78	2.57	-25.00	.77	-.06 Q	-8.2	22.0	1.8	14.2	.00	.0	00-00-00	104.8	1.9	1.0	3.98	7.15	1282
Ryans Fam Steak	RYAN	20.00	18.50	20.00	2.75	15.94	22.25	3.09	-.13	.45	.00	28.38	.33	.36 Q	NC	68.0	10.6	55.6	.00	.0	04-20-83	9.4	1.0	3.1	.34	1.61	1282
Saga Corp	SGA	64.00	61.00	62.13	-.13	-.20	64.00	23.88	.69	-.35	-.94	19.86	3.35	.96 N	29.8	41.0	1.9	14.9	.72	1.2	05-16-83	901.0	16.8	.9	8.51	17.72	0682
Sandwich Chef	SHEF	15.00	14.50	14.50	-.50	-3.33	15.50	11.50	-.39	.18	-6.87	61.11	.77	.75 N	NC	24.0	4.7	19.3	.00	.0	00-00-00	17.0	.8	.6	.50	3.42	0682
Sea Galley	SEAG	9.88	8.63	9.88	1.25	14.49	9.88	5.50	.00	1.91	2.10	5.10	.02	-.91 Q	-135.8	-33.0	.1	NE	.00	.0	06-02-81	70.1	.1	1.8	2.38	4.99	1281
Servico Inc	SRVI	18.50	15.25	18.00	2.75	18.03	18.50	7.03	.61	2.08	2.27	24.05	.74	-.79 F	-51.6	42.0	1.5	24.3	.00	.0	07-09-82	139.1	2.1	1.1	50.99	5.46	1281
Shoneys Inc	SHON	27.38	25.00	25.00	-1.75	-6.54	27.38	12.66	.11	-2.23	-5.25	-11.17	.86	.18 Q	24.3	19.0	5.1	27.2	.15	.6	03-11-83	324.9	16.6	1.0	2.65	5.02	1082
Skippers	SKIP	13.50	11.00	13.50	2.25	20.00	13.50	3.16	.68	4.48	10.63	48.53	.48	.27 Q	67.5	14.0	2.6	20.1	.08	.6	03-31-83	38.1	1.0	.5	3.38	6.69	1282
Sonesta Hotel	SNSTZ	16.00	16.00	16.00	.00	.00	16.50	10.00	-.06	.17	-5.28	-70.00	.28	-.11 F	-28.2	5.0	.9	57.1	.20	1.3	06-25-82	80.1	.7	1.1	26.22	9.51	1282
So Hospitality	SHOS	5.50	5.25	5.50	.13	2.33	6.25	1.38	-.16	1.22	-.30	-11.33	.14	.21 N	NC	25.0	2.5	26.2	.00	.0	00-00-00	20.3	.5	1.0	2.29	-.20	0582
Steak n Shake	STAK	6.75	6.25	6.75	.50	8.00	7.00	2.63	.55	2.10	3.14	13.33	.18	.16 Q	400.0	38.0	1.4	33.8	.00	.0	05-17-79	57.2	.8	1.2	4.60	2.60	0981
Victoria Stations	VSTA	9.50	8.88	8.88	-.63	-6.58	10.00	5.00	-.15	-.52	-5.33	-24.65	.35	-1.05 N	-875.0	-41.0	1.0	NE	.00	.0	09-19-79	123.4	1.2	1.0	7.67	10.49	0382
Wendys Intl	WEN	19.63	17.00	17.75	-1.50	-7.79	19.63	9.59	-.29	-.61	-1.97	9.85	1.13	.16 Q	15.8	13.0	7.3	15.2	.24	1.4	04-29-83	607.6	44.1	.6	2.56	5.27	1281
Webb Del E	WBB	18.75	15.25	18.50	2.88	18.40	18.75	5.88	.57	3.68	1.71	4.19	.16	-.80 Q	-129.0	-25.0	.5	NE	.00	.0	11-07-80	311.2	1.5	.9	11.32	13.71	1282
Western Steer	WSMP	17.50	15.00	15.00	-2.50	-14.29	17.50	8.00	.49	-.80	-1.28	-8.93	1.06	1.13 N	NC	9.0	3.7	13.3	.12	.8	12-08-82	27.3	1.0	1.3	6.97	6.29	0282
Winners Cp	WNER	15.00	13.63	15.00	1.75	13.21	15.00	6.94	.34	1.99	2.27	25.51	.62	.12 F	24.0	7.0	2.6	24.2	.00	.0	03-10-83	83.1	2.2	.3	10.03	5.32	1281

KEY: NA—Not Applicable NC—Not Calculable NE—Negative Earnings Q-First Quarter S-Six months N-Nine months F-Fiscal year
**—Other than a quarterly multiple resulting from a fiscal year change.*

Data and Table Provided by Media General Financial Services, Inc., Richmond, VA 23261

BEST AVAIL

FINANCIAL NEWS

Increase in airline losses blamed on heavy discounts

Heavy discounting was blamed for the large losses suffered by the nation's top airlines in the first quarter ended March 31, despite increased passenger traffic and substantially lower fuel prices.

Operating losses for the top 11 carriers rose 13.2% to $571 million for the first three months of the year compared to the same period in 1982. In all of last year, the top 11 airlines reported operating losses of $602 million, making 1982 the industry's worst year.

The reason given by airline executives and industry analysts for the weak first quarter: discounting of ticket prices, such as Pan American's $99 for a ticket on any domestic flight, and Trans World's "kids fly free when accompanied by an adult" promotion. Other airlines had similar promotions and discounting.

In the quarter, passenger traffic rose 14% while fuel prices dropped 7% compared with 1982's first quarter.

Pan Am and Trans World managed to narrow losses in the quarter. Pan Am lost $79.6 million compared with a loss of $127.3 million a year earlier. Trans World Corp. reported a loss of $82.3 million compared with a loss of $102.7 million in 1982's first quarter.

Republic Airlines reported a first-quarter loss of $59 million, up from $22.6 million a year earlier, despite a 21% rise in revenue passenger miles. Republic's revenues totaled $357.9 million, down 4%.

Other major airlines that reported losses: AMR Corp., parent of American Airlines, which lost $41.6 million; Eastern, which reported a $60.7 million loss; USAir Group, which lost $1.9 million.

Pizza Time Theatre profit decreases 40%

SUNNYVALE, Calif.—Pizza Time Theater has proposed a public offering of convertible subordinated debentures worth about $30 million.

The company said proceeds would be used to retire bank debt and finance the opening of new company units.

Debentures are bonds that can be converted later into shares of common stock. Purchasers of debentures are paid interest while they hold the notes.

For its first fiscal quarter ended March 24 Pizza Time reported a 40% drop in profits from last years first quarter to $942,193. Revenues for the same period moved up 103%, from $17.1 million in 1982 to $34.8 million this year.

Pizza Time said that average volumes in company stores were lower while expenses stayed about the same.

A spokesman said the company planned to open 60 units this year and that franchisees planned to open another 60. As of early May there were 137 company-owned and 102 franchised units in 36 states, Canada, Australia and Hong Kong.

In the first four months this year about 30 company-owned units were opened.

Pizza Time plans to open its first units in Puerto Rico and England within a month.

Ramada earnings down $6.4M

PHOENIX—Ramada Inns reported a net loss of $6.4 million for the first quarter ended March 31. Revenues for the same period were up 1.7% to $130 million compared to last year's first quarter.

Results included an extraordinary gain of $5 million.

The Atlantic City Tropicana recorded an operating income of $1.4 million during the first quarter compared to a $3.4 million loss for the same period last year.

The Las Vegas Tropicana also improved with $1.8 million in operating income this quarter as opposed to a $1.8 million loss in last year's first quarter.

However, the hotel group had a first-quarter operating income of $4.7 million (before gains of $532,000 from property sales) as opposed to last year's $10.2 million for the same period. The company experienced lower occupancy rates and margins in its company-owned hotels this quarter. Occupancy rates for company-owned hotels in the United States, overall, dropped 3.5%.

Western Steer net off 14%

CLAREMONT, N.C.—Western Steer-Mom 'N' Pop's Inc., franchisor of 160-odd budget steakhouses, posted a 14% decline in net profits to $866,141 for the fiscal year ended Feb. 25, compared to the year before.

Revenues rose 5.5% to $28.8 million year to year, the company said.

The company also said registration was pending with the U.S. Securities and Exchange Commission for a 400,000-share public offering.

At the end of the third quarter the chain numbered 166 units, compared to 169 at the end of fiscal 1982.

Western Steer said operating profits for the year increased 131% to $1.6 million and pretax profits held steady at $1.8 million, vs. fiscal 1982.

Net profits decreased from fiscal 1982 to fiscal 1983, the company said, because of a higher effective income tax rate. In addition, the company said, pretax profits in fiscal 1982 were bloated by a $718,000 one-time gain on the sale of investments.

The company did not say what the proceeds of its intended equity offering would be used for.

Winners Corp. earnings up 81% in first quarter

NASHVILLE—Winners Corp., franchisor of 80 Mrs. Winner's fried chicken outlets and a Wendy's franchisee, posted net profits of $471,000 for the first quarter ended March 31, an 81% increase over last year's quarter.

Sales for the quarter declined 5% to $17.8 million from last year, due to the disposition in late 1982 of 41 out of 46 West Coast Wendy's units.

Sales at the Mrs. Winner's Chicken & Biscuits division increased 75% to $9.7 million year to year as the number of stores in operation rose to 70 company units from 48 last year.

The company also reported weighted average unit sales, which includes stores open less than a year, increased 30% for the quarter in the Mrs. Winner's division to $149,000.

Garcia's posts $270,000 net loss

PHOENIX—Garcia's of Scottsdale has posted a net loss of $270,000 for the first quarter ended April 24. In the same period last year the company recorded net earnings of $519,000 on revenues of $8 million. This year's first-quarter revenues were up 24% to $9.9 million.

Last year's first quarter included an extraordinary credit of $147,000—a tax benefit from operating loss carry forward from prior years.

Dennis Mullen, Garcia's president and coo, said the 21-unit Mexican operation is encouraged by the first-quarter results, since losses in the fourth quarter of last year were approximately $1.4 million.

"Even more encouraging was the trend within the quarter, with each consecutive period showing continued improvement," Mullen said. The company's fiscal year comprises 13 four-week accounting periods, with four in the first quarter and three in all other quarters.

He said restaurant sales volumes are the company's major area of concern, with a comprehensive marketing plan developed during the first quarter now being implemented to boost traffic. The marketing plan included new television commercials to be broadcast in selected markets.

"While it is too early to measure the sustained effect of our increased marketing activities," Mullen said, "results to date have been very good."

Chairman and ceo Thomas G. Fleck indicated that despite the first-quarter results he was "greatly encouraged" with the quarter-to-quarter and period-to-period trends, and the "growing evidence" that steps the company has taken to return to profitability were working.

EARNINGS REPORT

Company	Period	Period Ended	Total Sales*	% Change	Revenues*†	% Change	Net Income (Loss)*	% Change
Ramada Inns	3 mos.	3/31			$130.0	1.7	$ 6.400	—
Pizza Time Theatre	3 mos.	3/24			34.8	103.0	0.942	(40.0)
Western Steer-Mom 'N' Pops Inc.	12 mos.	2/25			28.8	5.5	0.866	(14.0)
Garcia's of Scottsdale	3 mos.	4/24			9.9	24.0	(0.270)	—
Wendy's Inter. Inc.	3 mos.	3/31	$406.0	11.3	153.5	11.6	10.000	25.0
Fast Food Operators Inc.	3 mos.	3/31	1.1	43.0			0.077	216.0
Winner's Corp.	3 mos.	3/31	17.8	(5.0)			0.471	81.0
Piccadilly	3 mos. 9 mos.	3/31	36.0 113.7	69.0 7.7			0.644 5.100	(66.0) (27.0)
Max & Erma's	10 mos.	10/31	12.4	14.0			0.185	—
JB Restaurants	3 mos. 6 mos.	3/13	11.6 22.8	22.0 20.0			0.287 0.673	76.0 38.0
Marcus Corp.	3 mos. 9 mos.		22.8 76.1	12.3 5.1			0.755 4.700	97.0 8.3
Esteban's Mex. Foods	3 mos. 12 mos.	12/25			2.0 6.9	63.0 31.0	(0.213) (0.506)	— —
Pizza Inn	3 mos.	3/27			35.0	2.3	0.948	
Sandwich Chef	3 mos. 9 mos.	4/2	5.3 14.5	24.0 14.5			0.216 0.598	
Rax Restaurants	3 mos. 9 mos.	3/31			14.4 43.8	31.0 32.0	0.318 1.300	53.0 414.0

Source: *Company earnings reports*

—loss in corresponding period
**In millions*
†In cases where companies do not break out their total sales for all units, revenues are indicated instead. These generally consist of company-owned restaurant sales, franchise fees and rental incomes, royalties and operating income, as well as other miscellaneous incomes, such as interest income and gains on real estate and construction.

Max & Erma's reverses '81 loss

COLUMBUS, Ohio—Max & Erma's, a 10-unit chain of gourmet hamburger places, reported net profit of $184,895 for the fiscal year ended Oct. 31 compared to a net loss of $49,430 the previous year.

Sales went up 14% to $12,404,000 for the year.

Fiscal 1982, however, was just 44 weeks long, due to a change to an Oct. 31 year-end. Fiscal 1981 was a full 52 weeks.

Barry Zacks, chief executive officer and chairman, said the increases in sales and profits were due to the opening of two restaurants during the fiscal year, refinement of a corporate purchasing plan, and introduction of a higher-priced line of dinner entrees.

Max & Erma's plans to open new units this year in Louisville, Ky., and Farmington Hills, Mich.

Piccadilly earnings drop 16%

BATON ROUGE, La.—Piccadilly Cafeterias reported net profits declined 16% to $2.5 million for the second quarter ended Dec. 31 compared to the same year-ago period.

Revenues gained 8% to $39.8 million from the 1981 quarter.

For the six-month period, Piccadilly said net profits fell 12% to $4.5 million and revenues rose 8% to $77.7 million compared to the previous year.

The company said increased operating profits were swallowed by increased hospitalization and pension expenses and a stiffer effective income tax rate.

The firm operates 83 cafeterias in the Sunbelt, and plans to open a new unit in Baton Rouge and Atlanta before July.

Fast Food Operators net profit increases

NEW YORK—Fast Food Operators Inc., a Popeyes Famous Fried Chicken franchisee, reports that profits in the quarter ended March 31 increased 216% to $77,000 on a 43% rise in sales to $1.1 million compared to the same period.

The company operates six Popeyes units in New York City and is the management consultant to Kapok Tree Inns Corp. Fast Food Operators added new units and the consulting business after 1982's first quarter.

All six New York City units are operating profitably, according to Aaron Fodiman, president of Fast Food Operators. His company is building units in Teaneck, N.J., and Queens, N.Y.

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